



RAMCO SYSTEMS LIMITED

Regd. Office : 47, PSK Nagar, Rajapalayam - 626 108.

Corporate Office : No. 64, Sardar Patel Road, Taramani, Chennai 600 113.

Audited Financial Results for the Year Ended March 31, 2006							(In Rs. Lacs)	
Sl. No.	Particulars	□ □	Unaudited for the nine months ended		Unaudited for the quarter ended		Audited for the year ended	
			31.12.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006
1	Net Sales / Income from Operations		9,711.79	3,377.17	3,459.83	11,746.78 (ref. Note 3)	11,548.10	
2	Other Income		293.30	140.00	30.55	433.30	730.07	
3	Total Income		10,005.09	3,517.17	3,490.38	12,180.08	12,278.17	
4	Expenditure:							
a)	Cost of Resale Materials		2,853.65	1,009.59	893.21	3,863.24	3,149.05	
b)	Staff Cost		4,732.55	1,311.13	1,594.50	6,043.68	5,431.28	
c)	Other Expenditure							
	Selling & Marketing Expenses		114.37	62.24	127.56	176.61	304.60	
	Administration & Other Expenses		1,604.42	731.96	483.40	2,336.38	1,843.08	
	Total Expenditure		9,304.99	3,114.92	3,098.67	12,419.91	10,728.01	
5	EBIDTA		700.10	402.25	391.71	(239.83)	1,550.16	
6	Interest		975.94	278.37	272.12	1,254.31	1,138.13	
7	Profit / (Loss) before Depreciation, Amortisation, Tax & Extraordinary Items		(275.84)	123.88	119.59	(1,494.14)	412.03	
8a	Depreciation - Technology Platform & Product software		893.77	297.93	287.17	1,191.70	1,148.70	
8b	Depreciation - Others		454.55	184.43	86.16	638.98	549.57	
9	Profit/(Loss) before Tax and Extraordinary Items		(1,624.16)	(358.48)	(253.74)	(3,324.82)	(1,286.24)	
10	Extraordinary Items		-	-	2,749.79	-	2,749.79	
11	Profit/(Loss) before Tax		(1,624.16)	(358.48)	(3,003.53)	(3,324.82)	(4,036.03)	
12	Provision for Taxation							
	Current Taxation		Nil	Nil	Nil	Nil	Nil	
	Deferred Taxation		Nil	Nil	Nil	Nil	Nil	
	Fringe Benefit Tax		58.00	24.00	Nil	82.00	Nil	
13	Net Profit / (Loss)		(1,682.16)	(382.48)	(3,003.53)	(3,406.82)	(4,036.03)	
14	Paid-up Equity Share Capital - Face value of Rs. 10/- each		1,231.84	1,539.19	1,228.36	1,539.19	1,228.36	
15	Reserves excluding revaluation reserves		-	-	-	19,424.93	13,344.63	
16	Earnings per Share Basic & Diluted - in Rs.		(13.70)	(3.00)	(24.52)	(26.74)	(32.95)	
17	Aggregate of non-promoter shareholding		(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)	(Annualised)	
	a) Number of Shares					5,746,809	4,560,440	
	b) Percentage of Shareholding					37.42%	37.23%	

Notes:

- The above results have been approved and taken on record at the Board Meeting held on 27th May 2006.
- The Board of Directors of the company has not recommended any dividend for the year 2005 - 2006.
- Net Sales for the year ended 31st March 2006 is after accounting for reversal of income accrued in the earlier nine months upto 31st December 2005, aggregating to Rs.1,342.18 lacs.
- Consequent to recognition of revenue, based on percentage of completion method of accounting in respect of certain contracts for software development services under execution by the Company, the revenue for the quarter has gone up by Rs.46.67 lacs (corresponding quarter previous year Rs.Nil).
- Other Income for the current quarter includes rental income of Rs.47.10 lacs (corresponding quarter previous year Rs.47.10 lacs), interest of Rs.26.67 lacs (corresponding quarter previous year Rs.36.23 lacs), foreign exchange gain of Rs.9.59 lacs (corresponding quarter previous year loss Rs.55.03 lacs) and other income of Rs.54.86 lacs (corresponding quarter previous year Rs.Nil) towards amounts collected from the debtors written off in the earlier years.
- Administration & other expenses for the current quarter includes Rs.76.54 lacs (corresponding quarter previous year Rs.64.17 lacs) towards write off of doubtful debts, and charging off of Rs.121.42 lacs (corresponding quarter previous year Rs.Nil) of foreign withholding taxes.
- The company has come out with a Rights Issue of 3,070,757 equity shares of Rs.10/- each at a premium of Rs.200/- per share aggregating to Rs.6,448.58 lacs in the ratio of 1 share for every 4 shares held. The issue which opened on 19th December 2005 closed on 18th January 2006 and the allotment was made on 5th February 2006. The Company had also allotted 2,675 equity shares under ESOP 2000 & ESOS 2003 Schemes on 22nd February 2006. Consequent to the said allotments, the paid up capital has increased from Rs.1,231.84 lacs to Rs.1,539.19 lacs.
- In the perception of the company, the provisioning for deferred tax asset/liability does not arise.
- Status of Investor Grievances:

Description	Pending as on 01.01.2006	Received during the current quarter	Redressed during the current quarter	Pending as on 31.03.2006
No. of Complaints	Nil	19	18	1

10. Utilisation of proceeds from Rights Issue 2005:

(In Rs. Lacs)

Particulars	Projections as per Letter of Offer	Actuals 2005-06
Requirement of funds		
i Working capital requirements	7,534.48	914.55
ii Research and development costs	1,804.60	2,589.08
iii Marketing/market development costs	514.60	176.61
iv Capital expenditure	500.00	484.07
v Issue expenses	200.00	156.14
Total	10,553.68	4,320.45
Means of Finance		
i Rights Issue proceeds	6,448.58	6,448.58
Less: Interim use of Rights Issue proceeds towards reduction of borrowings	-	(4,628.13)
ii Term Loans/Short Term Loans/Working Capital Loans	4,105.10	2,500.00
Total	10,553.68	4,320.45

11. Figures for the previous periods have been regrouped / restated wherever necessary to make them comparable with the figures for the current period.

Segment Reporting for the Year Ended March 31, 2006							(In Rs. Lacs)
Sl. No.	Particulars	Unaudited for the nine months ended		Unaudited for the quarter ended		Audited for the year ended	
		31.12.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006
1	Segment Revenue						
	a. Product Software and Related Services	3,900.98	1,515.25	1,194.12	4,730.23	4,904.16	
	b. Other Software Services	1,773.53	472.85	1,110.41	1,590.20	2,274.00	
	c. Network Solutions	4,037.28	1,389.07	1,155.30	5,426.35	4,369.94	
	Total Revenue	9,711.79	3,377.17	3,459.83	11,746.78	11,548.10	
	Less: Inter Segment Revenue	-	-	-	-	-	
	Net Sales / Income from Operations	9,711.79	3,377.17	3,459.83	11,746.78	11,548.10	
2	Segment Profit / (Loss) before tax, interest & Extraordinary Items						
	a. Product Software and Related Services	970.22	873.23	96.21	1,157.45	1,354.38	
	b. Other Software Services	376.01	(59.54)	680.68	(339.71)	739.07	
	c. Network Solutions	167.04	(11.84)	(36.78)	155.20	118.30	
	Total	1,513.27	801.85	740.11	972.94	2,211.75	
	Less: Interest	975.94	278.37	272.12	1,254.31	1,138.13	
	Less: Extraordinary Items	-	-	2,749.79	-	2,749.79	
	Less: Other unallocable expenditure net of unallocable income	2,161.49	881.96	721.73	3,043.45	2,359.86	
3	Profit / (Loss) before Tax	(1,624.16)	(358.48)	(3,003.53)	(3,324.82)	(4,036.03)	
4	Fringe Benefit Tax	58.00	24.00	-	82.00	-	
5	Profit / (Loss) after Tax	(1,682.16)	(382.48)	(3,003.53)	(3,406.82)	(4,036.03)	

Notes on Segment Reporting:

- Fixed assets used in the operations of the company interchangeably (other than those that are used for its R&D purposes and those located in its Software Technology Park Units) and liabilities contracted (other than those contracted for the respective segments) are not directly identifiable to any of the reportable segments.
- Net Sales for the year ended 31st March 2006 is after accounting for reversal of income accrued in the earlier nine months upto 31st December 2005, aggregating to Rs.1,342.18 lacs.

Audited Global Consolidated Financial Results (under AS 21) for the Year Ended March 31, 2006							
Sl. No.	Particulars	Unaudited for the quarter ended		Audited for the year ended		Audited for the year ended	
		31.03.2006 (In US\$ Mln.)	31.03.2005 (In US\$ Mln.)	31.03.2006 (In US\$ Mln.)	31.03.2006 (In Rs Lacs)	31.03.2005 (In US\$ Mln.)	31.03.2005 (In Rs Lacs)
1	Net Sales / Income from Operations	17.35	13.76	59.24	26,118.04	49.11	22,051.44
2	Other Income	0.27	0.07	0.84	368.41	0.91	409.92
3	Total Income	17.62	13.83	60.08	26,486.45	50.02	22,461.36
4	Expenditure:						
a)	Cost of Resale Materials	3.01	2.83	10.33	4,553.33	8.36	3,755.64
b)	Staff Cost	7.81	8.26	32.69	14,412.42	29.91	13,429.72
c)	Other Expenditure						
	Selling & Marketing Expenses	1.15	1.14	3.20	1,408.88	3.04	1,366.63
	Administration & Other Expenses	2.97	2.87	11.45	5,049.35	9.40	4,222.32
	Total Expenditure	14.94	15.10	57.67	25,423.98	50.71	22,774.31
5	EBIDTA	2.68	(1.27)	2.41	1,062.47	(0.69)	(312.95)
6	Interest	0.65	0.66	2.94	1,296.21	2.59	1,161.76
7	Profit / (Loss) before Depreciation, Amortisation, Tax & Extraordinary Items	2.03	(1.93)	(0.53)	(233.74)	(3.28)	(1,474.71)
8a	Depreciation - Technology Platform & Product software	0.68	0.66	2.71	1,191.69	2.56	1,148.70
8b	Depreciation - Others	0.46	0.25	1.63	719.35	1.42	636.35
9	Amortisation of Product Research and Development Expenditure	-	(0.40)	-	0.85	-	0.91
10	Profit/(Loss) before Tax & Extraordinary Items	0.89	(2.44)	(4.87)	(2,145.63)	(7.26)	(3,260.67)
11	Extraordinary Items	-	7.79	-	-	7.79	3,499.21
12	Profit/(Loss) before Tax	0.89	(10.23)	(4.87)	(2,145.63)	(15.05)	(6,759.88)
13	Provision for Taxation						
	Current Taxation	0.49	0.14	0.55	240.80	0.14	63.02
	Deferred Taxation	-	-	-	-	-	-
	Fringe Benefit Tax	0.06	-	0.19	82.00	-	-
14	Minority Interest	0.01	-	0.01	6.45	-	-
15	Equity in earnings/(losses) of affiliates	0.25	0.06	0.25	108.41	0.06	30.29
16	Net Profit / (Loss)	0.58	(10.31)	(5.37)	(2,366.47)	(15.13)	(6,792.61)
17	Earnings per Share - Basic & Diluted - in USD	0.05	(0.88)	(0.42)	(18.58)	(1.29)	(57.76)
		(Not annualised)	(Not annualised)	(Annualised)	(Annualised)	(Annualised)	(Annualised)

Note:

- Figures for the previous periods have been regrouped / restated wherever necessary to make them comparable with the figures for the current period.
- Consequent to recognition of revenue, based on percentage of completion method of accounting in respect of certain contracts for software development services under execution by the Company, the revenue for the quarter has gone up by USD 0.51 mln.(corresponding quarter previous year USD Nil).

Place : Chennai
Date : 27th May 2006.

By Order of the Board
For Ramco Systems Limited
P. R. Venketrana Raja
Vice Chairman, Managing Director & CEO